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Fuel Oil Marketers Sweat Low Stocks
Majors Moving to Shorter Battery Lines
PMAA Panel: Where is Restructuring Headed?

NPN

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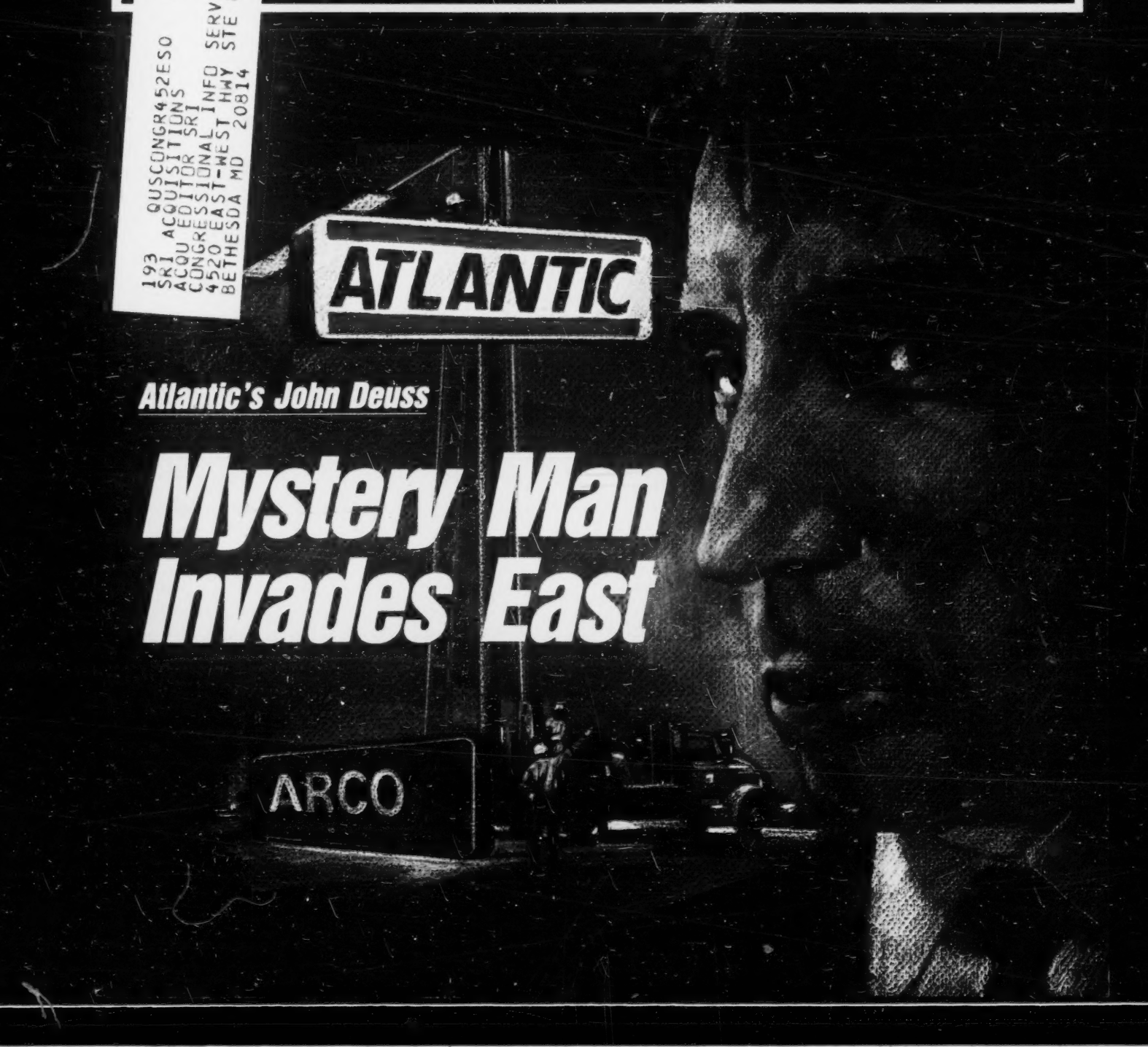

Atlantic's John Deuss

Mystery Man Invades East

NATIONAL PETROLEUM NEWS

DECEMBER 1985 VOL. 77 NO. 12

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ATLANTIC

The new red, white and blue signs won't be on the pumps until spring, but already the managers of John Deuss' new Atlantic Petroleum Corp. are moving aggressively to position themselves for a run at the volatile East Coast market. **Page 30**

PETROLEUM MARKETERS ASSOCIATION OF AMERICA
PMAA
Representing Independent Petroleum Marketers

Extreme pressure on oil prices and more restructuring and consolidation of oil companies can be expected over the next few years, an economist and panel of marketing vice presidents told the Petroleum Marketers Assn. of America convention in Nashville. **Page 25**

It wasn't until mid-October that refiners, importers and others began to refurbish the primary supplies of distillate fuel oil which had been allowed to languish at sub-normal levels all summer long and late into the fall. The question is: Did they wait too long? **Page 42**

• TRENDS

Does Five-State Rebellion Threaten SSDA Future?

The Service Station Dealers of America (SSDA), once a strong and powerful lobby force, is having its problems nowadays due to dissension over its leadership and lobbying efforts. Five state affiliates, including some powerful ones, have broken away in the past year and formed the National Coalition of Petroleum Retailers (NCPR) for the type of lobbying they want done.

The present dissension raises some questions as to whether SSDA's present leadership can restore harmony and effectively remain the national dealer voice.

Most observers close to the situation say most of the dissension lies in five state affiliates which have more or less dropped out of SSDA. They claim that almost all of SSDA's 30-plus other affiliates remain committed to SSDA and its leadership.

The five rebellious affiliates, however, are numbered among SSDA's more powerful state groups. These are Georgia, Michigan, New Jersey, Pennsylvania/Delaware and Texas. In the past, they have had a strong voice in directing SSDA's lobbying efforts.

SSDA has had its internal problems for several years, according to some dealer state executives, going back to the death of SSDA executive Charlie Binsted in 1978. Following Binsted's death, it went through a succession of directors until Vic Rasheed in 1982. Some state affiliates haven't been pleased with Rasheed's leadership, either, while others think he is doing a good job.

According to Rasheed's supporters, some of the rebellious states considered themselves "power brokers" in the national group and have been disappointed in not getting SSDA to totally follow their lobbying wishes since Rasheed came in. According to the dissenters, SSDA has misdirected its legislative priorities and has had an ineffective lobbying effort for the last two or three years.

Whatever the cause or causes of dissension, there are now two groups trying to represent the dealer voice on key federal legislation. The split is especially noticeable in efforts to amend the Petroleum Marketing Practices Act.

SSDA is backing a PMPA amendment bill introduced last May by Reps. Mike Synar (D-Okla.) and Ron Tauke (R-Iowa) which the Petroleum Marketers Assn. of America (PMAA) also supports. NCPR, meanwhile, formed by the dissenting state dealer groups, has had Rep. James Florio (D-N.J.) introduce another version which is similar to the Synar-Tauke bill except that it eliminates the jobber "provisions" of Synar-Tauke, especially those concerned with pricing protection.

Some of the new NCPR group say there is no chance of getting the Synar-Tauke bill through Congress because of its pricing protection provisions. They believe the Florio bill has a better chance. SSDA's non-dissenters are sticking to support of Synar-Tauke, partly because they doubt any PMPA amendment can be passed without jobber support.

Whatever the outcome of the PMPA amendment proposals, there is no sign that a reconciliation will occur between SSDA, and the five dissenting affiliates say they won't return to SSDA until it "redirects its priorities."

Beyond the legislative issues, the dissident state executives charge that SSDA and Rasheed spend too much time on "fund-raising" activities and not enough on legislative work. "If it weren't for the group insurance programs, I think SSDA would fall apart," says one state executive.

SSDA defenders maintain, on the other hand, that the association is making progress in Congress and has recently beefed up its lobbying effort by hiring a staff attorney. They cite SSDA's help in getting a graduated cap into the Superfund proposal (see Page 28) and other successful efforts that tend to get lost in the PMPA amendments squabble.

It would seem that with five of its more powerful state affiliates breaking off and trodding their own path, SSDA's continued existence might be in doubt. If the present dissension continues, is it possible that the new five-member coalition will pick up supporters and become the primary national dealer group? Or, will the dissenters eventually return to the SSDA fold?

SSDA supporters say NCPR, the five-member coalition, poses no threat to SSDA's continued existence.

"We may have problems in SSDA but the way to get things changed is to work within the organization," says one state executive. On the other hand, at least one of the dissenting affiliates has been described as ready to "jump ship" and apparently begin efforts to replace SSDA.

It will take time to learn just what direction the dealers eventually go in. But at the moment, as even its defenders admit, SSDA's lobbying effectiveness has been weakened by dissension within its ranks. *—Donald M. Smith*

• MARKETPLACE AT A GLANCE

AVERAGE GASOLINE PRICES IN THE U.S. (¢ per gal.)

SEPTEMBER	Gasoline (All types)	Leaded Regular	Unleaded Regular	Unleaded Premium
U.S. City Avg.	$1.209	$1.129	$1.216	$1.349
Regions:				
Northeast	1.229	1.145	1.220	1.345
North Central	1.220	1.149	1.237	1.380
South	1.194	1.110	1.198	1.338
West	1.197	1.118	1.204	1.349

Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

STOCKS (Add 000 bbl.)

	11/1/85	11/2/84
Gasoline (total)	215,796	231,419
Gasoline (Unleaded)*	108,099	109,294
Jet Kerosine	36,509	40,367
Distillates	125,260	156,170
Residual	49,142	51,169

**Included in gasoline total.*
Source: American Petroleum Institute.

Oil Companies Get Boost from Downstream

Firmer gasoline prices, even though they were on the down side, plus better margins and increased consumption, enabled most of the top oil companies to post modest to respectable increases in their downstream profits in their third-quarter and nine-month earnings reports.

Corporate profits were something else again, however. Except for Texaco and Kerr-McGee, just about all of the others had minus signs in comparing third-quarter '85 versus third-quarter '84. Texaco was up 28% for the '85 quarter and Kerr-McGee, 84%.

Mobil would have had a profitable third quarter but it wrote off more than a half-billion to restructure subsidiary Montgomery-Ward and that gave it a net loss of $116-million. Similarly, Sun wound up with a $106-million deficit because it charged off $275-million to cover some divested assets. Tenneco took a $240-million write-off in the third quarter and reported a net loss of $135-million. Arco had a good third quarter but it discounted more than $1-billion in the first half for restructuring and also wrote off substantial sums in third-quarter '84 for similar structural changes [*NPN*—Sept. '85, p36].

The downstream profits were most interesting, however. All of the top suppliers except Shell noted substantial improvement in the third-quarter. Percentagewise, the increases were sometimes spectacular (see table) but lest they get out perspective the amounts of money involved were really not that much. "Couple of tanker loads of gasoline," one marketer said cynically.

Texaco and Chevron had the more respectable increases in third-quarter '85. Texaco posted downstream earnings of $71-million versus a loss of $109-million in the comparable period of last year, while Chevron posted earnings of $51-million against a loss of $62-million in 1984. *NPN*

Company	3rd Qtr. 1985	3rd Qtr. 1984	% Chng.	9 Mos. 1985	9 Mos. 1984	% Chng.
Exxon						
Corporate	$995.0	$1,275.0	(22.0)	$3,065.0	$4,100.0	(25.2)
Downstream	*65.0*	*20.0*	*225.0*	*145.0*	*139.0*	*4.3*
Mobil						
Corporate	(116.0)	239.0	—	615.0	984.0	(37.5)
Downstream	*49.0*	*16.0*	*206.0*	*91.0*	*6.0*	*1,416.0*
Texaco						
Corporate	301.0	235.0	28.0	926.0	858.0	7.9
Downstream	*71.0*	*(109.0)*	—	*111.0*	*(258.0)*	—
Chevron						
Corporate	245.0	342.0	(28.4)	946.0	1,100.0	(14.0)
Downstream	*51.0*	*(62.0)*	—	*192.0*	*(117.0)*	—
Amoco						
Corporate	490.0	600.0	(18.3)	1,563.0	1,718.0	(9.0)
Downstream	*102.0*	*65.0*	*56.9*	*203.0*	*114.0*	*78.1*
Shell						
Corporate	365.0	447.0	(18.3)	998.0	1,191.0	(16.2)
Downstream	*35.0*	*43.0*	*(18.6)*	*102.0*	*158.0*	*(35.4)*
Arco						
Corporate	403.0	(519.0)	—	(344.0)	282.0	—
Downstream	*99.0*	*17.0*	*482.0*	*239.0*	*105.0*	*1,276.0*
Tenneco						
Corporate	(135.0)	126.0	—	(92.0)	501.0	—
Downstream	*n/a*	*n/a*	—	*n/a*	*n/a*	—
Sohio						
Corporate	346.0	359.0	(3.6)	1,079.0	1,198.0	(9.9)
Downstream	*96.0*	*52.0*	*84.6*	*313.0*	*170.0*	*84.1*
Phillips						
Corporate	36.0	217.0	(83.4)	252.0	641.0	(60.7)
Downstream	*n/a*	*n/a*	—	*n/a*	*n/a*	—
Sun						
Corporate	(106.0)	122.0	—	(113.0)	402.0	—
Downstream	*30.0*	*3.0*	*900.0*	*106.0*	*9.0*	*1,078.0*
Unocal						
Corporate	158.7	181.2	(12.4)	459.8	547.0	(15.9)
Downstream	*n/a*	*n/a*	—	*n/a*	*n/a*	—
Amerada Hess						
Corporate	36.4	40.6	(10.3)	105.4	174.4	(39.6)
Downstream	*n/a*	*n/a*	—	*n/a*	*n/a*	—
Dia. Sham.	52.8	61.6	(14.3)	(625.5)	185.4	—
Ashland (b)	46.4	(240.8)	—	146.7	(172.5)	—
Kerr-McGee	39.8	21.6	84.3	108.9	99.9	9.0
Pennzoil	44.4	59.0	(24.7)	154.3	179.9	(14.2)
Murphy	18.6	25.3	(26.5)	62.6	75.2	(16.8)
Petrofina	10.2	1.8	467.0	24.4	27.8	(12.2)
Getty Petro.	n/a	n/a	—	n/a	n/a	—
Southland	79.3	56.9	39.4	169.0	129.6	30.4
Crown Central	8.2	(3.5)	—	3.5	(13.1)	—
Total Petro.	33.5	4.2	698.0	74.9	0.6	1,238.0

(a) Downstream basically means refining and marketing although some companies also include transportation.
(b) Fourth quarter and full year; fiscal ends 9/30

Oil Heat Gets Centennial Year Recognition from Pres. Reagan

It took a long time to make all the necessary rounds and get all the essential endorsements but oil heat's 100th anniversary was finally recognized officially in early October with President Reagan's approval of a Congressional resolution saluting the occasion.

Twin resolutions were introduced in the House and the Senate last spring by Rep. Silvio Conte (R-Mass.) and Sen. Patrick Leahy (D-Vt.). It took them all summer to gather the necessary endorsements and passage, finally arriving at the President's Oval Office in early October.

Reagan's advisors chose not to make it a "photographic opportunity" for the media so there are no pictures available of the historic signing.

Petroleum Marketers Assn. of America President David T. Robinson commented: "Heating fuel marketers have provided a century of safe, dependable heating comfort to millions of American homes and businesses, and we salute President Reagan, Mr. Conte and Mr. Leahy for their generous recognition of that achievement."

It was on Aug. 11, 1885 that the U.S. Patent Office granted a patent to David H. Burrell, of Little Falls, N.Y., for his furnace, regarded by industrial historians as the first technically sound oil burner.

Gambling on Low Stock Levels Leaves Industry Vulnerable

It wasn't until mid-October that refiners, importers and others began to refurbish the primary supplies of distillate fuel oil which had been allowed to languish at sub-normal levels all summer long and late into the fall.

The big question is: Did they wait too long?

In mid-October, many industry leaders were beginning to think out loud that maybe they did: that unless the weather itself was extremely cooperative throughout November and December, price spikes of 10¢ and 20¢ gal.—perhaps even 30¢ in one of those worst possible scenarios—seemed to be highly probable this winter.

Price spikes will arouse a storm of controversy from consumers and legislators questioning why there should be any increases in a time of plenty. Some consumer groups and distributor representatives began laying the groundwork for such attacks as early as mid-September.

At the end of September, primary inventories of distillates were less than 120 million bbl. The Department of Energy said 115.3 million bbl. and the American Petroleum Institute said 117.7 million bbl. The differences in the totals result from the fact that DOE uses one set of data and API another.

By J. Richard Shaner
Executive Editor

Either way, however, the so-called average range for distillate inventories should have been around 155 million bbl. on Oct. 1, according to DOE charts which API accepts. Since September inventories were only 115.3 million bbl., this would mean they were down an unhealthy 25%.

Even more discomfiting was the fact that at 115 million to 117 million bbl., the inventories were only 10 million to 12 million bbl. above the so-called minimum operating level. It is at this level (105 million bbl.) and below that the National Petroleum Council says that operating problems and shortages can be expected to occur in the distribution chain.

The industry penetrated this minimum operating level late last winter but managed to get through without serious problems. It had a similar late-winter experience in 1983. This year, however, the industry made no real attempt to recover and replenish its inventories in the summer months and especially in the August period, as part of the prewinter buildup of stocks.

Instead, it cut back on refinery throughput and imports, which had been averaging better than 200,000 b/d in previous years, and bumped along at the 115 million to 117 million bbl. level right through September into early October. Some industry sources interpreted it as brinksmanship of unprecedented character.

With fingers crossed, many jobbers are hoping for a mild winter.

Everyone Waited

Refiners and importers are not the only ones who sat on their hands, however. So did the rest of the distribution chain, from top to bottom. Everyone had an eye on the squabbling factions within the Organization of Petroleum Exporting Countries and the fear that crude prices were going to drop disastrously. Everyone was afraid of being caught with high-priced inventories in a sea of low-priced crude and products, which are pouring into the East Coast from Europe, the Middle East, Latin America and the Caribbean (See related table on Page 44).

Suppliers and distributors alike issued calming statements and responses in August and September that even though the inventories were down, there was no real danger; that the industry could crank up the refineries in a hurry, and/or boost the import levels rapidly with spot market purchases.

That sounded good in September but somewhat hollow in October.

New England and the Middle Atlantic states account for about 75% of the distillate that is used for residential heating. A sudden cold spell that hangs on in the Northeast thus could make a run on supplies and perhaps deplete them at a faster rate than they could be replaced.

For example, 50% of the fuel oil consumed on the East Coast comes from Gulf refineries. It takes at least three to four weeks for the distillate to traverse the distance from the Gulf to New England ports. East Coast refineries only account for about 10% of the consumption so their output wouldn't have appreciable impact.

There should be product on the spot market. But if Europe should have chilly weather at the same time, that distillate either wouldn't be available for U.S. markets or it would be priced considerably higher as bidders raised the antes.

Most sources agree that one way or another distillate would be found for the homes and industries of the Northeast and other parts of the country. But the possibility of a price spike has many people worried.

"Serious Situation"

Edwin Rothschild of the Citizen/Labor Energy Coalition in Washington is already on record with a statement that the heating-oil regions are facing a "very serious situation" both as to supplies and prices.

Jeff Raynes, president of Massachusetts Better Home Heat Council, was quoted as saying that "any thought that

Distillate Sales in '84 by Key Categories (a) (Thousands of gals.)

Destination	Residential	Commercial	Industrial	Farm	On-Highway	Total (b)
U.S. Total	8,215,772	5,538,184	2,555,898	3,201,600	16,797,423	45,671,779
PAD District 1 Total	6,477,746	2,670,067	875,249	405,194	5,172,003	17,715,724
New England	1,962,096	592,740	113,565	20,049	662,466	3,520,444
Connecticut	479,613	166,996	41,373	3,057	183,583	897,195
Maine	167,279	72,287	17,445	5,713	116,662	394,903
Massachusetts	906,434	280,964	33,016	4,118	252,545	1,578,420
New Hampshire	156,036	20,873	4,883	2,381	40,593	231,764
Rhode Island	149,300	29,795	10,001	1,023	32,809	239,347
Vermont	103,434	21,824	6,845	3,757	36,274	178,814
Central Atlantic	3,825,923	1,490,867	421,876	119,084	1,886,467	8,509,245
Delaware	70,456	15,605	11,254	5,332	46,602	166,355
District of Columbia	28,597	51,254	421	—	21,393	138,980
Maryland	312,943	143,933	55,106	20,058	208,168	878,244
New Jersey	827,898	369,864	72,744	9,610	436,162	1,929,961
New York	1,517,545	615,610	128,523	40,498	439,452	2,854,000
Pennsylvania	1,068,483	294,601	153,828	43,585	734,690	2,541,703
Lower Atlantic	689,727	586,480	339,808	266,061	2,623,070	5,686,036
Florida	25,491	111,742	74,459	74,685	664,162	1,295,551
Georgia	11,603	111,548	40,858	72,767	633,818	1,036,551
North Carolina	288,082	151,332	53,501	55,956	501,663	1,190,354
South Carolina	60,601	42,933	30,043	24,557	291,490	511,348
Virginia	278,479	141,441	64,472	35,099	408,060	1,168,008
West Virginia	25,471	27,464	66,475	2,996	123,877	486,225
PAD District 2 Total	1,349,472	1,605,107	736,268	1,550,540	5,744,012	13,649,381
Illinois	103,847	254,479	70,379	192,019	574,188	1,678,008
Indiana	130,288	166,680	98,957	96,334	692,209	1,369,851
Iowa	54,644	65,904	15,574	167,064	313,635	688,041
Kansas	2,295	49,537	21,316	123,277	252,239	644,368
Kentucky	36,601	85,382	87,381	46,144	335,968	998,172
Michigan	266,368	134,144	77,183	80,654	425,802	1,107,728
Minnesota	168,745	147,548	34,371	127,232	284,668	836,868
Missouri	37,828	87,402	28,720	99,065	438,179	814,938
Nebraska	13,362	44,828	7,464	161,263	181,983	527,955
North Dakota	49,332	22,773	17,511	98,666	90,792	336,250
Ohio	168,054	192,668	124,872	64,297	810,535	1,579,016
Oklahoma	4,049	32,191	90,869	58,464	401,738	801,487
South Dakota	32,747	11,742	5,408	66,988	95,895	223,544
Tennessee	14,101	107,217	33,288	47,823	503,273	1,023,956
Wisconsin	267,211	202,613	22,975	121,249	342,908	1,019,200
PAD District 3 Total	14,401	518,184	412,250	538,506	2,944,470	6,842,938
Alabama	1,567	33,141	51,782	35,748	345,705	630,772
Arkansas	30	52,651	15,476	126,575	285,945	550,334
Louisiana	99	73,468	50,603	38,202	362,139	1,172,112
Mississippi	158	31,118	47,994	51,359	268,572	542,959
New Mexico	588	16,900	43,374	7,837	168,017	277,945
Texas	11,958	310,906	203,020	278,786	1,514,092	3,668,816
PAD District 4 Total	61,403	123,577	124,446	183,736	644,378	1,573,083
Colorado	5,068	30,357	22,995	66,889	202,150	439,140
Idaho	21,796	14,757	13,529	51,427	93,509	226,876
Montana	16,686	41,020	17,157	47,884	113,853	355,045
Utah	6,085	29,191	36,158	7,191	130,617	272,102
Wyoming	11,767	8,251	34,607	10,344	104,249	279,920
PAD District 5 Total	312,701	621,250	407,686	523,625	2,292,560	5,890,654
Alaska	61,418	53,543	26,827	1,054	98,646	345,171
Arizona	28	11,086	52,060	30,300	228,929	414,858
California	6,538	352,376	161,852	365,170	1,399,258	3,309,692
Hawaii	34	5,075	2,364	11,695	17,548	119,084
Nevada	11,200	17,881	24,528	10,941	77,184	234,513
Oregon	94,933	92,510	79,032	47,521	195,543	672,428
Washington	138,550	88,779	61,024	56,944	275,452	794,907

(a) These five categories represent about 80% of the total distillate sales.
(b) Total includes oil company, electric utility, railroad, vessel bunkering, military, off-highway and miscellaneous consumption.
Source: Sales of Fuel Oil and Kerosine, 1984; Energy Information Administration, dated July, published in October, 1985.

European oil will bail us out if supplies get tight is a pipe dream. Even if product was available, there would be at least a three-week lead time before any European product got into our distribution system. In the interim, prices could easily jump up 20¢ or more, just like two years ago."

There are others that were echoing these thoughts in mid-October. No one says price spikes are inevitable, but unquestionably there were more crossed fingers and even toes then than there were in early September.

Governors in New England and Middle Atlantic states, for example, were reported to have been pressing federal and regional energy authorities and oil companies in late September and early October about the distillate supply picture and what they intended to do about it.

Empire State Petroleum Assn.'s Bob Lynch asked Energy Secretary John Herrington to "communicate with major and independent U.S. refiners of distillate to determine their operating plan for the Fall and Winter." The answers are especially important to New Yorkers, more than half of whom rely on oil heat in the winter months.

But while some were apprehensive, others were still nonchalant in mid-October.

Dr. Edwin Murphy, director of statistics for American Petroleum Institute, was one of the latter. He noted that the importance of inventories has lessened in recent years. Whereas homes in the 1970s used to average 1,500 gal. of distillate a year, they now average less than 900 gal., he said. A decade ago, he added, refineries were operating at 90% of capacity to keep up. Today, they are running around 79% —so there's room to spare. "It used to be that refineries couldn't produce enough oil during the heating season to provide for current consumption. That's no longer the case," he said. An API study last summer confirmed that most of the winter's heat oil's needs are coming from current output rather than basic inventories.

Weather All Important

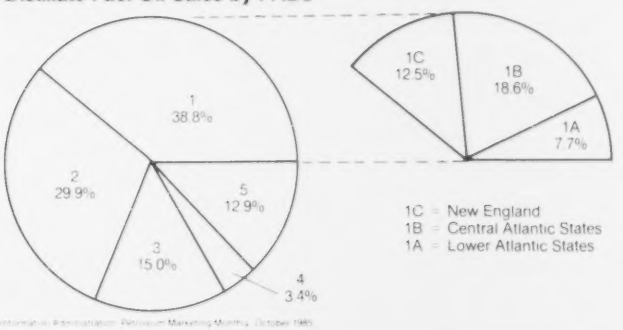
Much depends on the weather; in fact, as one distributor said, the "whole ball game is hanging on it now."

If the weather is relatively normal in November and December and not too difficult in January and February, then the industry gamble on low inventories will have paid off. The supplies which began to pour into the primary tank lines and teminals in mid-October, plus the moderate increases that can be expected, should be able to take care of consumer need.

A note of optimism was the forecast of National Weather Service which said in mid-October that November-December temperatures throughout the eastern U.S. should be warmer than average. But NWS's track record as a forecaster hasn't been exceptionally bright. Matter of fact, it was NSW that only a few years ago predicted the coldest winter weather of the century, which somehow turned out to be one of the warmer ones of recent years.

If, however, the weather is cooperative,

1984 — Distillate Fuel Oil Sales by PADs



Source: Energy Information Administration, Petroleum Marketing Monthly, October 1985

First Half Shows Drop In Distillate Imports

Distillate fuel oil is being brought into East Coast marketplaces from overseas by a surprising variety of importers, ranging from oil companies, terminal operators, independent marketers, brokers, traders, and truck stops.

In the first six months of 1985, 54 importers brought in 62.5 million bbl. at an average rate of 171,081 b/d.

Last year, the list was much longer with 80 companies involved in Pad 1 alone. They imported 88.6 million bbl. of distillate in 1984 at an average rate of 242,930 b/d.

In 1983, the first year that distillate imports showed an appreciable increase on the East Coast, there were 68 importers with a total of 50.8 million bbl., an average of 139,373 b/d.

The biggest "importer" in the past three years was Amerada Hess. But Hess's refinery is located in the U.S. Virgin Islands, and the product being brought in is comparable to that of an on-shore refinery processing foreign crude, rather than distillate from Europe, the Middle East and Latin America.

Leading importers include Global Petroleum, of Boston; Northeast Petroleum, Chelsea, Mass.; Northville Industries, Mellville, N.Y.; and Wyatt Inc., New Haven, Conn.

Among the big oil companies, Sun shows up in 1983, '84 and '85 as a somewhat consistent importer. It ranks 20th on the list in 1983, eighth in 1984 and sixth in the first half of 1985, running at a 3 million bbl./year rate in the last two years.

Texaco, Chevron, Gulf, Koch and Ashland are among the other oil companies bringing in distillate from abroad.

The import data are collected by the Department of Energy and are made available to the industry on a subscription basis by the American Petroleum Institute. The tables are confusing; they make no attempt to summarize import and domestic totals to put company activities into perspective or even offer more than minimum identification of the companies that do the importing.

Importers of distillate in PAD District I for the past two and one-half years are as follows:

East Coast Distillate Importers

First Half of 1985

Company	(b/d)	Total Volume (000 bbl.)
Amerada Hess	33,421	6,090
Global Petroleum	16,793	3,065
Northeast Petroleum	12,593	2,298
Wyatt, Inc.	12,018	2,193
Northville Industries (a)	10,860	1,982
Sun	8,307	1,516
Coastal States	7,517	1,372
Striker Industries	7,315	1,335
Langham-Hill	6,155	1,123
Belcher Oil	6,027	1,100
Scanoil, Inc.	5,050	922
Steuart Petroleum	4,893	893
Ultramar Petroleum	4,658	850
Eastern Seaboard	3,789	701
Bulk Oil	3,710	677
Texaco	3,247	593
T. W. Oil	2,689	491
Colonial Oil	2,092	382
Cecil William	2,012	367
Sipco Oil	1,638	299
Astroline Corp.	1,461	267
UPG, Inc.	1,265	231
Ore/Chem. Co.	1,229	224
Astroline Pacific	1,214	223
Vanol USA	1,156	211
C.H. Sprague	1,148	210
Pilot Petroleum	1,126	205
Noco Trading	1,072	196
Gulf Oil	995	182
Koch Industries	969	177
Doug-Long, Inc.	772	141
Goetz Oil	694	127
Ashland Oil	683	125
Vitol Trading	602	110
Massena Petroleum	382	70
D/C Transportation	284	52
S. B. Collins	251	46
Petroleum Sales/Svc.	159	29
Centurion Motors	214	39
Econo Fuels	173	32
R. L. Vallee	170	31
Petro. Sales/Svc.	159	29
Welch Energy	49	9
Sears Oil	38	7
J. E. Fortin	37	7
1211 Colvin Blvd.	37	7
Eli Tarbell	32	6
Broskin Trucking	32	6
Kildair Service	31	6
Exit 52E Truck Stop	29	5
Buddy's Truck Stop	14	3
Burn's Fuel	6	1
Kemp Oil Heating	5	1
Totals	171,081	62,445

(a) Includes Northeast Petroleum Corp. and Northeast Petroleum Industries, Inc.

Full Year—1984

Company	(b/d)	Total Volume (000 bbl.)
Amerada Hess	52,221	19,061
Northville Industries	23,224	8,477
Coastal States	16,752	6,114
Wyatt, Inc.	15,307	5,587
Global Petroleum	11,585	4,229
Northeast Petroleum (a)	9,353	3,414
Phibro Distributors	9,138	3,335
Sun	8,552	3,121
Apex Oil	6,952	2,537
Ultramar Petroleum	6,462	2,359
Ore/Chem. Co.	5,798	2,116
Belcher Oil	5,680	2,073
Unipetrol	5,540	2,022
T.W. Oil	5,510	2,011
Chevron	4,498	1,642
Langham-Hill	4,419	1,613
Striker Industries	4,293	1,567
Steuart Petroleum	4,030	1,471
Scanoil, Inc.	3,178	1,160
Cecil William	3,048	1,113
International Marine	2,518	919
Falco, Inc.	2,482	906
Stinnes Interoil	2,438	890
Will Petroleum	2,249	821
Bulk Oil	1,953	713
Eastern Seaboard	1,880	686
Irving Oil	1,824	666
Tenneco	1,800	657
Koch Industries	1,794	655
Colonial Oil	1,724	629
Anaschutz Petroleum	1,203	439
Citgo Petroleum	1,168	426
Sipco Oil	1,021	373
Noco Trading	963	351
Astroline Corp.	899	328
Eli Tarbell	835	305
Goetz Oil	686	250
Avant Petroleum	610	223
Beaumont Oil	609	222
Doug-Long, Inc.	595	217
Johnson Co.	593	216
Vanol U.S.	587	214
Vitol Trading	585	214
Kerr-McGee	548	200
E/F Trading	527	192
Pilot Petroleum	504	184
Tampimax Oil	504	184
Caribbean Gulf	466	170
Augsbury Corp.	452	165
Castle Coal/Oil	445	162
S.B. Collins	377	138
Massena Petroleum	281	103
Ashland Oil	245	89
1211 Colvin Blvd.	219	80
Saber Refining	137	50
R.L. Vallee	129	47
BP North America	87	32
Econo Fuels	76	28
Champlain Oil	62	23
Shell	60	22
Buddy's Truck Stop	60	22
Bradford Oil	55	20
Broskin Trucking	55	20
Cibro Petroleum	55	20
Karam Petroleum	49	18
Centurion Motors	47	17
Oceana Terminal	44	16
J.E. Fortin	34	12
P.J. Hyde/Son	31	11
Burns Fuel	18	7
Peoples Oil	17	6
White Fuels	17	6
Gas-N-Go Enter.	13	5
Couillards Heating	11	4
McCann Foods	4	1
Grace Petroleum	3	1
Akwesasne Fuels	2	7
Boots Fuels	1	3
Wicks Fuels	1	3
Totals	242,930	88,669

(a) Includes Northeast Petroleum Corp. and Northeast Petroleum Industries

Full Year—1983

Company	(b/d)	Total Volume (000 bbl.)
Amerada Hess	43,331	15,816
Northville Industries	23,554	8,597
Apex Oil	9,255	3,378
Coastal States	5,994	2,188
Global Petroleum	4,397	1,605
Vanol U.S.A.	3,924	1,432
Pilot Petroleum	3,764	1,374
Koch Industries	2,703	987
Northeast Petroleum	2,653	968
Phibro Distributors	2,590	945
Bulk Oil	2,563	935
Tampimex Oil	2,411	880
Scanoil, Inc.	2,261	825
Tampimex Oil Intl.	2,217	809
Will Petroleum	1,998	729
Belcher Oil	1,632	596
Augsbury Corp.	1,414	516
Wyatt, Inc.	1,323	483
Texaco	1,320	482
Sun	1,242	453
Eastern Seaboard	1,184	432
Falco Inc.	1,085	396
Striker Industries	1,014	370
Noco Trading	894	326
Chevron	850	310
Sipco Oil	840	307
Oceana Terminal	725	265
Cecil William	720	263
Eli Tarbell	707	258
Coastal Corp.	663	242
Stinnes Interoil	644	235
Astroline Corp.	591	216
Castle Coal Oil	584	213
R. L. Vallee	583	213
Seamont Petroleum	569	208
Doug-Long, Inc.	560	204
George E. Warren	557	203
Colonial Oil	522	191
Crysen Trading	522	191
Goetz Oil	511	187
Kern Oil	469	171
1211 Colvin Blvd.	288	105
Coral Petroleum	274	100
All States Asphalt	189	69
Industrial Fuel	146	53
Gas-N-Go Enter.	89	32
Cook Fuel	86	31
Buddy's Truck Stop	76	28
P. J. Hyde	62	23
Western Trading	28	10
Farnsworth Heating	23	8
J. E. Fortin	21	8
Lake Fuels	16	6
Centurion Motors	14	5
Karam Petroleum	13	5
Ashland Oil	12	4
McIntyre Fuels	12	4
Malone Oil	12	4
Akwesasne Fuels	10	4
White Fuels	9	3
D/C Transportation	8	3
Commonwealth Gas	7	3
Econo Fuels	7	3
Boots Fuels	4	1
H. A. Eddy Oil	2	—
Abrantes Fuel	1	—
Unifed Tech.	1	—
Wilna Gromley	1	—
Total	139,373	50,871

Consumers Group Says Home Owners Lose on Gas Conversions

New York City's Department of Consumer Affairs says fuel switching is neither the wisest nor the most economical move that conservation-minded home owners can make these days.

The Department's Research Division came to this conclusion after a lengthy study of conservation techniques, and potential consumer moves to take advantage of them.

This is what the Consumer Affairs Department reported recently:

"Fuel conservation, rather than fuel conversion, is the most cost-effective means of ensuring permanent savings.

"Based on the oil bill, a new furnace or boiler could have saved N.Y.C. home owners up to 35% or $2,711.56 from 1980 to 1984—$199.60 more than the $2,511.96 saved through converting to gas.

"Upgrading oil equipment with a new flame-retention burner can shave almost 25% of oil heating season bills at a relatively modest cost.

"Home owners using either oil or gas are best advised to remain with their current fuel, particularly if they are well satisfied with the service they receive, and simply take measures to use less [of the fuel]."

The same sort of an idea prevails for apartment-house owners, the research study suggests.

This is what it has to say on this score:

"Converting from oil to gas is even less attractive for apartment buildings using #4 and #6 oils, which are cheaper than #2 oil.

"Since 1980, the annual apartment gas bill has averaged only $20.59 less than the oil bill. In 1983 and 1984, the annual average gas bill averaged $51.12 more than the oil bill, so there is actually some incentive to switch from gas to oil, particularly in larger buildings where the savings per unit can add up.

"However, the gas distributors often discounted rates to larger buildings that would otherwise switch to #6 oil so apartment owners, like home owners, should probably investigate other means of cutting energy costs rather than simply switching fuels."

retail prices of distillate are expected to be relatively flat throughout the balance of 1985 and most of 1986. Distillate is expected to be running around $1.02 to $1.03 gal. at year's end and drop down to perhaps $1.01 by the end of the second quarter [*NPN*—Oct. '85, p48].

Image Worries

One of the things that worries the more aggressive fuel oil distributors is what price spikes can do to them and their images vis a vis the running battles with gas and electricity for marketplace attention.

Fuel oil now has an extensive promotion campaign underway in many areas, based on materials designed and supplied by the Metropolitan Energy Council of Greater New York.

"We've been making a lot of headway," said one marketer. "So much so that the gas industry particularly is beginning to fight back with a cohesive ad campaign of its own attacking oil as obsolete.

"What scares me is that if we have a couple of price spikes during a time of glut, we'll never be able to talk our way out of it—no matter whose fault, or how it happened.

"It could jeopardize everything we've done so far." NPN

Sales of Distillate, Resid and Kerosine by End Use in 1984

(Thousand Gals.)

End Use	Distillate Fuel Oil	Residual Fuel Oil	Kerosine
U.S. Total	45,671,779	18,347,827	1,771,770
Residential	8,215,722	-	516,393
Commercial	5,538,184	1,539,124	799,748
Industrial	2,555,898	3,498,873	241,425
Oil Company	848,083	1,249,935	-
Farm	3,201,600	-	32,167
Electric Utility	648,665	6,980,119	-
Railroad	2,944,694	1,007	-
Vessel Bunkering	1,763,782	4,580,688	-
On-Highway Diesel	16,797,423	-	-
Military	700,788	95,718	-
Off-Highway Diesel	1,756,077	-	-
All Other	700,864	402,363	182,037

Source: Energy Information Administration, October 1985.

Why Inventories Are Down as Winter Starts Up

Stocks (Million bbl.)

	This Year	Last Year	% Change
Sept.	115.3	142.9	-19.3%
Aug.	116.3	133.3	-12.8
July	115.5	124.4	-7.1
Imports (Add 000 b/d)			
Sept.	144	291	-50.5
Aug.	95	259	-63.3
July	95	199	-52.3
Production (million b/d)			
Sept.	2.5	2.7	-7.4
Aug.	2.6	2.7	-3.7
July	2.6	2.7	-3.7
Refinery Utilization (Per Cent)			
Sept.	77.3	78.0	—
Aug.	79.0	78.2	—
July	80.0	79.7	—

Sources: DOE and API